



**PROPOSED RULE MAKING
(RCW 34.05.320)**

CR-102 (7/22/01)
**Do NOT use for expedited
rule making**

Agency: Department of Financial Institutions

- ☒ Preproposal Statement of Inquiry was filed as WSR 02-05-045 ; or
☐ Expedited Rule Making -- Proposed notice was filed as WSR _____; or
☐ Proposal is exempt under RCW 34.05.310(4).

- ☒ Original Notice
☐ Supplemental Notice
to WSR _____
☐ Continuance of WSR _____

(a) Title of rule: (Describe Subject) Regulatory relief for small credit unions

Purpose: To provide appropriate regulatory relief for small credit unions (those with up to \$10 million in total assets.)

Other identifying information:

(b) Statutory authority for adoption: RCW 31.12.516(2), (3), (4); RCW 43.17.060; RCW 43.320.040

Statute being implemented: RCW 31.12.516(3)

(c) Summary: The rule provides more regulatory flexibility for small credit unions in regard to scheduling of special meetings of members, and the number of regular board meetings.

Reasons supporting proposal: To eliminate unnecessary regulatory burden on small credit unions

(d) Name of Agency Personnel Responsible for:	Office Location	Telephone
1. Drafting..... Linda Jekel	210 - 11 th St. SW Room 300, Olympia, WA 98501	360-902-8753
2. Implementation.... Linda Jekel	210 - 11 th St. SW Room 300, Olympia, WA 98501	360-902-8753
3. Enforcement..... Linda Jekel	210 - 11 th St. SW Room 300, Olympia, WA 98501	360-902-8753

(e) Name of proponent (person or organization): Division of Credit Unions

- ☐ Private
☐ Public
☒ Governmental

(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement and fiscal matters:

(g) Is rule necessary because of:

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, ATTACH COPY OF TEXT Citation:
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

(h) HEARING LOCATION:
Department of Financial Institutions
210 - 11th St. SW Room 300
Olympia, WA 98501

Date: June 25, 2002 Time: 1:00 p.m.

Assistance for persons with disabilities: Contact
Tina Philippsen by 4:30 p.m. June 19, 2002

TDD (360) 664-8126

NAME (TYPE OR PRINT)

Mark Thomson

SIGNATURE

TITLE

Acting Director

DATE

May 3, 2002

Submit written comments to:

Linda Jekel
210 - 11th St. SW Room 300
Olympia, WA 98501
E-mail: ljekel@dfi.wa.gov
FAX (360) 704-6901 By (date) June 25, 2002

DATE OF INTENDED ADOPTION: June 25, 2002

CODE REVISER USE ONLY

(COMPLETE REVERSE SIDE)

(j) Short explanation of rule, its purpose, and anticipated effects:

The proposed rule allows small credit unions:

1. To schedule special meetings of members from 10 to 120 days after a request for a special meeting is received by the credit union's secretary, as provided in the credit union's bylaws. The current rule requires special meetings to be scheduled from 20 to 30 days after the request is received; and
2. To hold as few as nine regular board meetings each calendar year, no more than eight weeks apart, as provided in the credit union's bylaws. The current rule requires regular board meetings to be held monthly.

On another aspect of small credit union supervision, the Division is aware that the scheduling of on-site examinations of small credit unions can create staffing problems for them. For example, an exam can prove challenging at the beginning of a calendar quarter, when small credit unions must devote staff to the preparation of financial statements and/or call reports. The Division intends to work with small credit unions to avoid scheduling their exams during these problematic time periods.

Partly in response to recommendation from the Washington Credit Union League's Small Credit Union Task Force, the Division recently adopted new field of membership (FOM) rules which streamlined the process for credit unions to add FOM groups to their FOM bylaws. These new FOM rules will significantly reduce the regulatory burden on small credit unions in adding FOM groups. The new rules took effect on March 8, 2002.

Does proposal change existing rules? ☐ YES ☒ NO

If yes, describe changes:

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.
A copy of the statement may be obtained by writing to:

telephoning: ()

faxing: ()

☒ No. Explain why no statement was prepared

The rule reduces the cost of regulatory compliance and makes existing rules more flexible. It does not add any costs of compliance.

(l) Does RCW 34.05.328 apply to this rule adoption? ☐ Yes ☒ No

Please explain: RCW 34.05.328 does not include the Department of Financial Institutions as a covered agency.